

From: no-reply@erulemaking.net
Sent: Wednesday, April 01, 2009 5:40 PM
To: _Regulatory Comments
Subject: Public Submission

Please Do Not Reply This Email.

Public Comments on Corporate Credit Unions:=====

Title: Corporate Credit Unions
FR Document Number: E9-02292
Legacy Document ID:
RIN: 3133-AD58
Publish Date: 02/04/2009 00:00:00
Submitter Info:

First Name: Michael
Last Name: DeGrand
Organization Name: Harbor Credit Union

Comment Info: =====

General Comment:I believe the actions taken by NCUA were important to assure stability and soundness in Corporate Credit Unions. While it is very painful, we are prepared to contribute to the NCUSIF -- with the assumption that we will not be penalized for the actions others took. I am confident that NCUA will take into account the enormous impact this will have on our ROA in 2009. I am of the opinion that taking this "hit" in 2009 is appropriate instead of spreading out the impact over numerous years. It is an explainable event which our members will understand. If required to spread out the losses over a number of years, I believe it will call into question the stability of the credit union system.

We use our corporate credit union for a number of services. We believe that we obtain a better price for the services than we would be able to obtain through other vendors. The services we use include bill payment services, cash delivery, settlement services, investment options, lines of credit, and wires.

In the past we did obtain these types of services from other vendors. The cost of the services was higher tahn we have been able to purchase the service through our corporate credit union.

I believe NCUA needs to establish a separate way to assess corporate credit unions for insurance risk. While it makes sense that natural person credit unions are assessed on a "per insured account" basis, it does not seem appropriate that be the same assessment for corporate credit unions. I believe there should be a risk matrix established to determine the potential risk to the insurance fund. The matrix could be based upon several factors - based upon asset size, based upon investmetn risk, etc. I am not an expert but it doesn't seem appropriate that the impact a few of the corporate credit unions had should be so great.

I believe the corporate credit union's reserve plus the insurance deposit should be in proportion to the risk it takes. Hopefully a matrix could be determined or maybe even modeled after those in the banking industry.

If you have further questions about my comments, I can be reached at 920-431- 7800. Thank you for considering the comments of all of us who are impacted by this event in our movement.